

AGENDA: November 2, 2006

TO: Regional Transportation Commission (RTC)

FROM: Rachel Moriconi, Senior Transportation Planner

SUBJECT: Amended FY 2006/07 Claims for Article 4 Transportation Development Act and State Transit Assistance Funds for the Santa Cruz Metropolitan Transit District

RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission adopt resolutions (Attachments 1 and 2) approving the Santa Cruz Metropolitan Transit District's (SDMTD) amended FY 06/07 Transportation Development Act (TDA) Article 4 and State Transit Assistance (STA) claims (Attachment 3) in the amounts of \$6,165,834 and \$4,720,782 respectively.

BACKGROUND

The State of California provides two major sources of funds for public transportation: Transportation Development Act (TDA) and State Transit Assistance (STA). The Regional Transportation Commission oversees the allocation of these funds. TDA local transportation funds (LTF) are derived from 1/4 cent of the retail sales tax collected statewide, returned to each county according to the amount of tax collected in that county. TDA funds can be used to fund public transportation system operations, maintenance, and capital projects (such as vehicles, bus shelters, benches, and communication equipment); specialized transportation; by the RTC for administration, transportation planning and programming; and by cities and counties on pedestrian, bicycle and safety projects. In areas where no unmet transit needs exist or are reasonable to meet TDA funds can be used to fund street and road projects.

Article 4 TDA funds are available to operators of general public transportation systems. The RTC allocates TDA funds to SCMTD and other claimants based on priorities and formulas in the RTC Rules and Regulations. The allocations are then included in the overall budget.

State Transit Assistance (STA) funds are derived from the statewide sales tax on gasoline and diesel fuel. The money is apportioned to each regional transportation planning agency based 50% on population and 50% on operator revenues for the prior fiscal year. STA funds may be allocated to public transit operators who meet certain qualifying criteria. Each year, the RTC allocates all STA revenues to the SCMTD. The STA allocation also flows through the SCCRTC budget.

DISCUSSION

As a result of increases in Transportation Development Act revenues in December 2005 and increases in revenues generated from the sales tax on gasoline, especially the amount directed to

the STA from the Public Transportation Account (PTA) Spillover, the amount of TDA and STA funding available for Santa Cruz County is higher than the amount previously budgeted. The proposed FY 06/07 RTC Budget amendment (see separate agenda item) increases the TDA apportionment for SCMTD to \$6,165,834 (\$285,000 over the amount previously designated for SCMTD) and increases the amount of STA funds to \$4,720,782 (\$2,914,190 over the previously designated amount). As such, SCMTD has submitted amended TDA and STA claims that match the revised funding estimates for FY06/07.

By statute, TDA and STA funds may be used for either operations or capital projects. However, due to operating cost increases year-to-year, SCMTD has been unable to meet the mandated efficiency standards necessary to use the STA funds for operating purposes (Public Utilities Code section 99314.6) since before 1989. Eligibility standards do not apply when STA funds are used for capital projects.

SCMTD proposes to use the TDA funds for operations and the STA funds will be used for the Capital Improvement Program. Specifically, SCMTD proposes to use the entire \$4,720,782 in STA funds to acquire property needed for the MetroBase Consolidated Operations Facility.:

The TDA and STA claims submitted by SCMTD (Attachment 3) are consistent with the proposed FY 06/07 RTC Budget amendment, with the Commission's Rules and Regulations, and with state regulations. Based on review of the information provided related to SCMTD's operations and proposed capital improvements, staff finds that SCMTD's proposed uses of these funds are necessary to maintain and enhance the transportation services available to the public. In response to recent discussions and recommendation by the Budget and Administration/Personnel Committee (included in a separate agenda item), staff requested from SCMTD additional information for this claim and it is included in Attachment 3.

Staff recommends that the Regional Transportation Commission approve the attached resolutions (Attachments 1 & 2) approving the amended SCMTD FY 06/07 Transportation Development Act Article 4 claim in the amount of \$6,165,834 and the State Transit Assistance claim in the amount of \$4,720,782 (Attachment 3).

SUMMARY

The Santa Cruz Metropolitan Transit District has submitted amended FY 06/07 Transportation Development Act and State Transit Assistance claims to match the proposed FY 06/07 budget. These claims meet the criteria set in the Commission's Rules and Regulations and state regulations.

- Attachments:
1. Resolution for TDA Claim
 2. Resolution for STA Claim
 3. TDA and STA Claims from SCMTD